

117TH CONGRESS
2D SESSION

S. 3630

To establish a Dual Eligible Quality Care Fund to provide grants to State Medicaid programs to improve their capacity to ensure the provision of quality integrated care for dual eligible beneficiaries.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 10, 2022

Mr. SCOTT of South Carolina introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To establish a Dual Eligible Quality Care Fund to provide grants to State Medicaid programs to improve their capacity to ensure the provision of quality integrated care for dual eligible beneficiaries.

1 *Be it enacted by the Senate and House of Representa-*

2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Supporting Care for

5 Dual Eligibles Act”.

1 SEC. 2. IMPROVING MEDICAID'S CAPACITY TO PROTECT

2 DUAL ELIGIBLE BENEFICIARIES.

3 (a) ESTABLISHMENT OF DUAL ELIGIBLE QUALITY

4 CARE FUND.—

5 (1) IN GENERAL.—Not later than 6 months
6 after the date of enactment of this Act, the Sec-
7 retary of Health and Human Services (referred to in
8 this section as the “Secretary”) shall establish a
9 fund to be known as the “Dual Eligible Quality Care
10 Fund”.

11 (2) ESTABLISHMENT WITHIN FEDERAL COORDI-
12 NATED HEALTH CARE OFFICE.—The Dual Eligible
13 Quality Care Fund shall be established within, and
14 administered by the Director of, the Federal Coordi-
15 nated Health Care Office established under section
16 2602 of the Patient Protection and Affordable Care
17 Act (42 U.S.C. 1315b).

18 (3) FUNDING.—There is appropriated to the
19 Dual Eligible Quality Care Fund for fiscal year
20 2022 \$100,000,000, to remain available until ex-
21 pended.

22 (b) PURPOSE.—The purpose of the Dual Eligible
23 Quality Care Fund is to provide timely, targeted assist-
24 ance in the way of grants to State Medicaid programs to
25 improve their capacity to ensure the provision of quality
26 integrated care for dual eligible beneficiaries.

1 (c) ALLOWABLE USES OF GRANT FUNDS.—A State
2 Medicaid program may use amounts received under a
3 grant from the Dual Eligible Quality Care Fund to im-
4 prove its capacity to provide quality integrated care for
5 dual eligible beneficiaries through any of the following:

6 (1) Recruiting and paying workers with needed
7 subject matter knowledge, skills, or capabilities.

8 (2) Actuarial support for rate development and
9 analysis and development or purchase of risk adjust-
10 ment tools.

11 (3) Information technology system changes, in-
12 cluding changes that—

13 (A) improve member enrollments;

14 (B) improve encounter data collection and
15 analysis;

16 (C) improve the ability of State Medicaid
17 programs to develop customized data manage-
18 ment tools (such as queries and dashboards);

19 (D) improve compliance with Federal re-
20 porting requirements;

21 (E) enhance financial analysis;

22 (F) improve quality reporting and moni-
23 toring;

24 (G) improve modifications to capitation
25 payments;

(H) transfer eligibility and enrollment data between systems;

(J) improve interaction with Medicare data and related systems.

18 (6) Quality measurement and State evaluation
19 activities, development and deployment of survey
20 tools, and costs of accessing, transferring, and ana-
21 lyzing data.

1 (8) Supporting and improving Medicare initiatives,
2 including new initiatives and existing or past
3 initiatives such as the Financial Alignment Initiative
4 for Medicare-Medicaid Enrollees demonstration
5 projects conducted under section 1115A of the Social
6 Security Act (42 U.S.C. 1315a).

7 (d) AWARDING GRANTS.—

8 (1) IN GENERAL.—A State Medicaid program
9 that wishes to receive a grant under this section
10 from the Dual Eligible Quality Care Fund shall submit
11 an application to the Director of the Federal Co-
12 ordinated Health Care Office (referred to in this
13 subsection as the “Director”), in such form and
14 manner as the Director shall specify. The Director
15 may award a grant under this section to any State,
16 without regard to the State’s existing capacity to
17 provide quality integrated care for dual eligible bene-
18 ficiaries.

19 (2) APPLICATION REQUIREMENTS.—An applica-
20 tion for a grant under this section shall include an
21 identification of the uses of funds described in sub-
22 section (c) for which the State Medicaid program
23 will use the grant funds.

24 (3) METHODOLOGY FOR DISBURSING FUNDS.—

(A) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, the Director shall issue guidance establishing a clear and equitable methodology for awarding grants to State Medicaid programs under this section.

(B) METHODOLOGY REQUIREMENTS.—The methodology established by the Director under this paragraph shall, to the extent practical—

- (i) ensure that grant funds are used in accordance with subsection (c);
 - (ii) provide that grants are awarded by the Director in a manner that is transparent and equitable to State Medicaid programs; and
 - (iii) provide that, in determining the grant amount to be awarded to a State Medicaid program, the Director shall take into consideration—
 - (I) the percentage of enrollees in the program who are dual eligible beneficiaries; and
 - (II) the total number of dual eligible beneficiaries enrolled in the program.

6 (e) STATE PROGRAM REPORTING.—

(A) An explanation of which uses of funds described in subsection (c) the grant funds supported.

(B) An assessment of each of the following:

14 (f) DEFINITIONS.—In this section:

(2) QUALITY INTEGRATED CARE.—The term “quality integrated care” means the provision of

1 services provided under the Medicare program under
2 title XVIII of the Social Security Act (42 U.S.C.
3 1395 et seq.) and services provided under a State
4 Medicaid program—

5 (A) through systems in which Medicaid
6 and Medicare program administrative require-
7 ments, financing, benefits, or care delivery are
8 aligned; and

9 (B) in a coordinated fashion, which may
10 include coverage of such services through a sin-
11 gle entity or coordinating entities.

12 (3) STATE.—The term “State” has the mean-
13 ing given such term for purposes of title XIX of the
14 Social Security Act (42 U.S.C. 1396 et seq.).

15 (4) STATE MEDICAID PROGRAM.—The term
16 “State Medicaid program” means a State plan
17 under title XIX of the Social Security Act (42
18 U.S.C. 1396 et seq.), and includes any waiver of
19 such a plan.

20 **SEC. 3. PAYMENT ERROR RATE MEASUREMENT (PERM)**

21 **AUDIT REQUIREMENTS.**

22 (a) BIENNIAL PERM AUDIT REQUIREMENT.—Be-
23 ginning with fiscal year 2023, the Administrator shall con-
24 duct payment error rate measurement (“PERM”) audits
25 of each State Medicaid program on a biennial basis.

1 (b) NOTIFICATION; IDENTIFICATION OF SOURCES OF
2 IMPROPER PAYMENTS.—

3 (1) NOTIFICATION.—Not later than 6 months
4 after the date of enactment of this Act, the Adminis-
5 trator shall notify the contractor conducting PERM
6 audits of the Administrator's intent to modify con-
7 tracts to require PERM audits not less than once
8 every other year in each State.

9 (2) IDENTIFICATION OF SOURCES OF IMPROPER
10 PAYMENTS.—The Administrator shall direct the con-
11 tractor conducting PERM audits of State Medicaid
12 programs to identify areas known to be sources of
13 improper payments under such programs to identify
14 program areas or components known to be sources
15 of high risk for improper payments under such pro-
16 grams.

17 (c) STATE MEDICAID DIRECTOR LETTER.—Not later
18 than 12 months after the date of enactment of this Act,
19 the Administrator shall issue a State Medicaid Director
20 letter regarding State requirements under Federal law and
21 regulations regarding avoiding and responding to im-
22 proper payments under State Medicaid programs.

23 (d) STATE IMPROPER PAYMENT MITIGATION
24 PLANS.—

1 (1) IN GENERAL.—Not later than January 1,
2 2023, each State Medicaid program shall submit to
3 the Administrator a plan, which shall include spe-
4 cific actions and timeframes for taking such actions
5 and achieving specified results, for mitigating im-
6 proper payments under such program.

7 (2) PUBLICATION OF STATE PLANS.—The Ad-
8 ministrator shall make State plans submitted under
9 paragraph (1) available to the public.

10 (e) DEFINITIONS.—In this section:

11 (1) ADMINISTRATOR.—The term “Adminis-
12 trator” means the Administrator of the Centers for
13 Medicare & Medicaid Services.

14 (2) STATE.—The term “State” has the mean-
15 ing given such term for purposes of title XIX of the
16 Social Security Act (42 U.S.C. 1396 et seq.).

17 (3) STATE MEDICAID PROGRAM.—The term
18 “State Medicaid program” means a State plan
19 under title XIX of the Social Security Act (42
20 U.S.C. 1396 et seq.), and includes any waiver of
21 such a plan.

